

## **Statement from the Chair of the West of England Combined Authority Audit Committee**

The Audit Committee wish to draw the following matters to the attention of the West of England Combined Authority Committee.

### **1. Value for Money (VFM) report**

These comments are a summary of discussions at Audit Committee, representing views supported by all members from all political parties. We preface these remarks by emphasising that all members want the West of England Combined Authority to succeed and recognise how important its role is, which is why we want it to work effectively.

Members want to see the West of England Combined Authority benchmarked against other combined authorities. We understand that political differences will occur but we expect them to be managed.

In December, Audit Committee were briefed on the action plan in response to the VFM audit report.

It was indicated that the action plan would be evolving and developing. However, on 2<sup>nd</sup> March we were presented with the same plan with no updates or improvements. In December we were told that the Leaders were planning a meeting in January, to deal with the co-working issues and establish how they could improve their working. We understand that meeting eventually took place in late February.

We welcome the Terms of Reference for the Solace Peer Challenge but note that these issues were those identified by Audit and Scrutiny meetings over a year ago.

If we are to be updated on the action plan (which we expect on a regular basis), we would like to know what has actually happened rather than have received a document that has not changed since it was tabled at the beginning of December.

- SR1 (improve working relationship)  
We have seen no evidence that this is happening, if it is to happen, by March. Why is there no detail of the programme of activities and the Regional Priorities?
- SR2 (commit to protocol to consult)  
We note that in spite of the VFM report the last West of England Combined Authority Committee involved a 100-minute adjournment for leaders to agree on the budget. We reiterate that these breaks indicate a failure of commitment to work together and are damaging to the public and governmental perception of the Authority.
- SR3 (statutory officer conflict of interests)  
What is the status of the protocol? Has it been circulated and published by January 2023?
- KR1 (future management structure)

Is this on course for October 23 if the Employment Committee cannot function between March and May?

- KR2 (re independent legal advice)  
“As soon as is practically possible” is not specific enough and does not acknowledge the seriousness of the weaknesses. There is no reason why this has not been actioned.
- IR1 (chief execs working relationship)  
Who is checking independently with UA senior officers that this is working?
- IR2 (constitution)  
As more and more flaws in the Constitution become apparent, what action has been taken? Has anything happened on the Constitution? This is not specific enough and does not acknowledge the seriousness of the many issues. This is important enough for a detailed and specific timeline to be established for addressing each area of weakness.
- IR3 (senior officer performance reviews)  
This was presented to Audit Committee with no assurance from the Head of HR. Has it been formally recorded?

Audit Committee wants to see detail to confirm that the actions referred to in the Action Plan are happening and are effective in achieving the required outcome.

We would hope each member of the Committee can commit to working together to resolve differences in advance of public meetings, so that any amendments to papers can be agreed and published in such a way that members of the public and Councillors can understand what has changed from the originally produced papers.

Without categoric confirmation that the actions are happening and are effective and without all individual Committee members commitment, the action plan is only an attempt to placate auditors and Audit Committee.

One of our members summed this up succinctly - “Message from Audit Committee should be: sort out matters of disagreement ahead of the meetings and present a united front on the day”.

## **2. Bus, Transport and Infrastructure Risk Register**

Audit Committee does not express an opinion on Policy, but it does have a role in the review of attitude to and management of risk. It follows therefore that when a policy area affects many citizens across the region, it is inevitable that we look at the risks relating to those policies.

We recognise that risk registers are drafted by officers in diplomatic language using local authority terminology. However, members are concerned that the risks relating to the withdrawal of support for bus services from some of our most deprived areas do not identify the seriousness of the situation. Similarly, the risks around Demand Responsive Transport do not appear to have fully recognised the extent of the potential commercial and economic risk, or the social impact. There is no knowledge of the actual demand, or the capacity needed to fulfil it, or the expectation of passengers. The procurement processes appear not

to have identified the potential challenges and may have allowed start-up companies to be appointed with limited experience staff and equipment for the service they have tendered for.

The related risks seem massive and the urge to solve this crisis appears to have led to decisions which may have significant unmeasured risk to the Authority.

We are not convinced that officers are fully aware of the magnitude of this risk and that Committee may not have been informed of this when the decision was taken.

Overall, the risk register made for poor reading. With the bus service network very near to collapse there seemed no recognition of the potential impact on well-being and attainment of net zero. It will be difficult to regain passengers who decide or are forced to go back to using a car. Should these risks not be recognised?

Given these risks are shared with the unitary authorities cannot unitary authority expertise be used more effectively by the West of England Combined Authority.

Concerns about CRSTS were also expressed. There appears to be delay and dependence on contractors. There is clearly a potential risk of government clawback. Descoping will reduce benefits and net zero gains.

(As a note and an example of the problem - the risk register report says there is no HR, Environmental or Financial issues arising from the report. It was explained to us that this related to the production of the report. Members felt this was at best totally misleading, and at worst failed to acknowledge the potential Financial and Environmental impact of the risks being described, which would leave the average resident feeling the report was only intended to be theoretical).